
Pre-Escheat Affidavits Related to Uncashed State Warrants

MEMORANDUM

TO: Chief Financial Officers

FROM: John J. Linderman, Director
Office of Financial Management

DATE: March 31, 1998

SUBJECT: Procedures for Pre-Escheat Affidavits Related to
Uncashed State Warrants

I am writing you to provide new procedures for processing pre-escheat affidavits related to uncashed state warrants. These procedures supplement procedures issued in the *Administrative Practice Manual No. 37 (APM 37)*, issued March 28, 1995.

The State of Michigan has not escheated uncashed State Treasurer's warrants since the implementation of MAIN on October 1, 1994. A new escheat process has begun and the first batch is targeting any outstanding warrants issued from October 1, 1994, through September 30, 1995.

The law now requires that holders of property due to be escheated, valued at \$100.00 and above, must notify the property owners (payees) prior to escheating. This notification is in the form of an affidavit and was mailed to payees on January 29, 1998, by DMB using the address from the original warrant. Form 3233 "AFFIDAVIT TO CLAIM UNCASHED STATE CHECK" is serving the purpose of both notifying the payee and providing them an opportunity to request the payment be reissued. We designed the process so that original payees will complete the affidavits and return them to the issuing agency.

Once the completed affidavits are mailed back to your agency, you must take the appropriate action indicated by the response box checked by the payee. Any warrants reissued by your agency must have the original warrant canceled in R*STARS. The attached procedures for on-line cancel requests and stop payments are provided to help your staff process affidavits returned by payees. Please process all returned affidavits by April 17, 1998. No action needs to be taken on undeliverable affidavits.

Please note: any warrants not canceled by the escheat deadline will change to a current status of "E" (escheated) when the escheats program runs and the funds will transfer to the Michigan Department of Treasury, Unclaimed Property Division. The payees may still claim their payments at any time in the future by contacting that division.

Also attached is a certification statement that should be completed and returned by April 17th. If you have any questions concerning the attached procedures for handling completed affidavits,

please contact Ms. Suzie Nichols of my staff at (517) 373-1522.

Attachments

cc: M. Lannoye	S. Weismiller
N. Duncan	K. Smiley
L. Krieger	S. Nichols
D. Johnson	Administrative Officers
L. Pigue	Chief Accountants
J. Blankenheim	Internal Auditors
L. Pigue	Chief Accountants
P. Wippel	

AGENCY PROCEDURES FOR HANDLING COMPLETED AFFIDAVITS TO CLAIM AN UNCASHED STATE CHECK

When processing these affidavits, all on-line stop payment and cancel requests are to be done under user class 83 on the R*STARS 47A Warrant Status Maintenance Screen. Treasury has the capability to reissue for you **only** those payments which were issued in Bank I.D. 000, warrant number series starting with 18 . . . or 19 . . . , and where all of the original information is still correct. All other reissues must be handled by your agency and you **must** request Treasury to cancel the original warrant, per APM 37, to reimburse your accounts.

1. **If box 1 is checked - "Claiming to have already cashed the warrant."**
 - a. Take no action and allow the warrant to become escheated. Payees can still claim their money at any time in the future if they made an error, or
 - b. If payees provide additional correspondence (i.e. "must have cashed it because they always cash any checks they receive, etc.") agency should determine whether further action is needed for reissue. If yes, see instructions for box 5.
2. **If box 2 is checked - "Claiming to have already received a replacement."**
 - a. Research records to determine if payee is correct and agency has issued a replacement/duplicate payment. If the warrant was previously reissued, you should request cancellation of the original warrant to reimburse your agency accounts.
 - i. Under user class 83, link to the 47A screen.
 - ii. Enter the warrant number from the affidavit to view the record.
 - iii. Request a cancellation using reason code 204 (duplicate payment).
 - iv. Attach a copy of the 47A screen print to a copy of the affidavit and forward to Department of Treasury, Financial Operations Division.
 - v. If already in an "S" (stop) status, skip steps a. through c. Send a copy of the affidavit to Financial Operations with a note requesting cancel with the appropriate reason code (per APM 37).

Upon receipt of the affidavit copy, Financial Operations will approve and process the cancel request. The current status of the warrant will change to "C" (cancel) and the accounting entries will reverse.

- b. If there is no record of a reissue, either:
 - i. Take no action and allow the original warrant to escheat, or
 - ii. Contact payees to determine if they are mistaken and a reissue is appropriate.

3. **If box 3 is checked - "Other condition exists."**

Action must be based upon response or correspondence from the payee. If a payment was issued in error and the payee is not entitled to the warrant, use whatever cancel reason code is appropriate (per APM 37). The cancel action will reverse the accounting entries. If a reissue is appropriate, follow the steps below for box 5.

4. **If box 4 is checked - "Returning original warrant for replacement."**

Follow steps below for box 5.

5. **If box 5 is checked - "Entitled to the state check."**

- a. Research should be done to determine that the payee has not already received a reissued payment for the funds in question.
- b. If payee is to be reissued a payment:
 - i. Under user class 83, link to the 47A screen.
 - ii. Enter the warrant number from the affidavit to view the record.
 - iii. Request a stop payment using the appropriate reason code: If Treasury is to reissue, use "100" (lost, good address). If your agency is reissuing, use "101" (lost, bad address).
 - iv. Send a copy of the affidavit (and the original warrant if returned) to Department of Treasury, Financial Operations Division.

Financial Operations will approve and process the stop payment request within one work day. The current status of the original warrant will change to "S" (stop).

If a "100" (lost, good address) reason code was used, upon receipt of the affidavit copy (and original warrant if returned), Financial Operations will issue a replacement warrant to the payee. The current status of the original warrant will change to "R" (replaced).

If a "101" (lost, bad address) reason code was used, upon receipt of the affidavit copy (and original warrant if returned), Financial Operations will cancel the original warrant. The current status of the warrant will change to "C" (cancel) and the accounting entries will reverse. Your agency is responsible for any reissue.